LNF & IHCIF Calculations Illustration
- CLINTON in Oklahoma area -

Given Data

- 11,439 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 25% = % Expenditures on purchased services, 75% = % expenditures in-house
- 94.4% = Cost index for purchasing health care in this geographic area
- 100.7% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- $706 per person for purchased services = 25% * 94.4% * $2,980
- $2,249 per person for in-house services = 75% * 100.7% * $2,980
- $2,955 per person total = $706 (purchase) + $2,249 (in-house)
- **$2,864 per person total** adjusted for health status = $2,955 * 96.9%
- **$2,119 per person net cost** = $2,864 - $745 Other resources (M&M&PI)

Existing Expenditures (for 11,439 users excluding wrap-around and collections)

- $722 per person = local IHS allowance (excludes $ for wrap-around)
- $77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$853 per person for OU users** = $722 + $77 + $54

LNF Calculation

- **29.8% Gross LNF** = $853 (expenditures) / $2,864 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **40.2% Net LNF** = $853 / $2,119 net cost ($2,864 - $745 other)

IHCIF Allocation

- $4,791,992 = $ to raise LNF% from 40.2% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$167,145 Allocation** = $4,791,992 needed for 60% * 3.488% IHCIF fraction

CLINTON Unmet Needs

- **$24,242,496 Net Total Need** = 11,439 users * $2,119 net cost
- **$14,488,991 Net Unmet Need** = (100% - 40.2% LNF) * 11,439 users * $2,119 net cost